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K. May

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MEMORANDUM

TO: DIANNE R. NIELSON, Director  
Division of Oil, Gas and Mining

FROM: BARBARA W. ROBERTS, *Barb*  
Assistant Attorney General

DATE: July 21, 1987

RE: Check from Kerley Industries *KT/053/002*

Enclosed is the cashier's check in the amount of \$55,210.00 from Kerley Industries for the reclamation of the Silver Reef Mine.

As I stated in our meeting earlier today, I believe that the State must move against Jerry Glazier to ultimately effect reclamation on the site. The Division has, in the past, made demands for a reclamation bond upon Glazier. The last demand was followed by an Order to Show Cause which ultimately resulted in the filing of the Kerley Industries bond.

As a result of the past demands made on Glazier, he is clearly aware of the need to post a bond for an operational mine. In that light, I suggest that we go forward with an Order to Show Cause or a Petition for the purpose of forcing the bond issue. If Glazier fails to respond, as has been the case in the past, an order for complete reclamation can be issued against him. Any failure to heed the Board's order can result in either a Court injunction directing Glazier to reclaim or the Division completing whatever work possible with the forfeited Kerley bond funds.

It would be helpful to meet with you and Ken to decide what the next step should be and when it should be undertaken. Please propose a time, possibly that September 1 meeting, when we can discuss this matter.